FFEL Servicer Requirements	
High Level Requirement	**Lower Level Requirements Detail**
Treasury and Servicing Requirements	
Receipt of Payments - Servicer shall direct entities making payments on Government loans (borrowers, lenders, etc) to direct payments to a Treasury designated service including: Treasury lockbox, Pay.gov, Remittance Express and IPAC. **Note:** Receipts must be processed in accordance with guidance provided in Treausry Financial Management (TFM), available at www.fms.treas.gov/tfm/index.html	
	Servicer shall establish an interface with the Treasury lockbox service for the receipt of the payment posting file and returned payments file.
	Servicer shall establish an interface with Pay.gov for the receipt of ACS debits and credit card payments.
	Servicer shall establish an interface for Remittance Express (REX) for the receipt of ACH credits. REX provides FSA with an activity file of payments received; which becomes the posting file for interface with the borrower accts
	Servicer shall establish an interface for the receipt and processing of Inter-Governmental Payment and Collection (IPAC) systems payments.
	Servicer shall post payments to the borrower accounts on the same date of receipt of payment information from Treasury. If payments are directly received by the Servicer, those payments will be deposited to Treasury on the day of receipt.
	Servicer shall maintain a suspense account of payment information of any payment transactions that cannot be posted to a borrower account. Servicer shall perform due diligence to researach payments held in suspense for the purpose of resolving the unposted items including: posting payment to appropriate borrower account; refund to remitter; or escheatment to Treasury.
	Servicer shall obtain daily deposit information from Treasury's Ca$hLinkII system to support accounting processes and controls, such as daily and monthly reconciliations.
	Servicer shall modify its interface with Treasury lockbox, Pay.gov, and REX upon implementation of Treasury's new reporting system, the Transaction Reporting System (TRS).
	Servicer shall maintain proper controls over payment posting and accounting activities; and follow requirements for daily and monthly required reconciliations.
Issuance of Refunds - Servicer shall promptly manage credit balance accounts, and other accounts requiring a refund. Servicer shall process refund transactions to borrowers (borrower overpayments), lenders (such as consolidation overpayments), etc.	
	Serficer shall establish an interface and process payments of refunds via interface with FSA's Financial Management System (FMS). Batches of refunds shall be subject to FSA review and approval.
	Servicer shall receive and work from a Treasury Confirmation Report from FSA's FMS system. This confirmation data used to provide information to borrower inquiries on refund status.

	Servicer shall receive a report of Treasury Cancellations; shall use appropriate business rules to maintain cancellation data, provide information for borrower inquiries and re-issuance of refunds.
	Servicer shall perform due diligence on cancelled refunds, issuance of validated refunds, and following Treasury guidelines for escheatment.
	Servicer shall request FSA to cancel refunds, when appropriate.
	Servicer shall maintain controls and accounting reconciliations to balance borrower account posted refunds and refund cancellations, reconciling between activity reported by Treasury and recorded in FSA's general ledger system.
Internal Controls -Servicer shall incorporate a system of internal controls consistent with federal regulations, laws, policieis and authoritative guidance. These laws regulations, and guidance include, but are not limited to: Federal Financial Management Improvement Act (FFMIA) Federal Managers' Financial Integrity Act (FMFIA) CFO Act Government Performance and Results Act (GPRA) GAO's Green Book OMB Circulars including A-123, 1-127, and A-130 Joint Financial Management Improvement Program (JFMIP) Treasury Financial Manual (TFM)	
	Servicer's procedures and systems shall include a system of internal controls that ensures resource use is consistent with laws, regulations and policies; resources are safeguarded against waste, loss, and misuse; and reliable data are obtained, maintained, and disclosed in reports. Appropriate internal controls shall be applied to all system inputs, processing and outputs.
	Examples of Internal Control Standards to be implemented by the Servicer include the following: >Review and Reconciliation: Records are examined and reconciled to determine that transactions were properly processed and approved. >Execution of Transactions: Independent evidence is required to be maintained to ensure that authorizations are issued by persons acting within the scope of their authority and transactions conform with such authority. >Segreation of Duties: Proper segregation of duties is required to exist among functions including authorization, execution, recording and review transactions, custody of assets, and performing reconciliations. >Qualitified and continuous supervision is required to be provided to ensure that proper internal control is maintained. >Access to and Accountability for Resources: Access to resources and custody and use of resources is required to be assigned and maintained.
Transaction Management - Servicer shall establish a system and processes to correctly record all transactions on their database, post summary transactions to the Department's subsidiary ledger on the same business day they are generated.	
	Servicer shall correctly record all transactions on their database and post summary transactions to FSA's subsidiary ledger on the same business day they are generated, properly populating all required fields and passing all edits.
	Servicer shall ensure all transactions are reversible.

	Servicer shall provide for each type of transaction related to loan activity will be a discrete transaction and will be correctly translated (mapped) from the servicer's subsidiary ledger to FSA's general ledger transactions (FMS).
	Servicer shall maintain both the posting date and effective date of the transactions on their system with an audit trail that efficiently links the detailed transactions in the sudsidiary ledger to summarized transactions in FSA's general ledger. Transactions must have sufficient audit trail to all efficient tracing. Original Treasury document numbers should be present on transactions, in addition to any system created document number.
	Servicer shall assign and retain the Credit Reform Code (CRC), recording and reporting all loan related transactions at the CRC level.